



Civil Society Budget Advocacy Group



ISSUE BRIEF

ASSESSING THE VIABILITY OF LOCAL SERVICE TAX & OTHER LOCAL REVENUE SOURCES

A Case of Kibaale, Mubende, Apac,
Gulu, and Agago Districts

with support from:



USAID | **UGANDA**
FROM THE AMERICAN PEOPLE



Governance, Accountability, Participation and Performance (GAPP) Program

Assessing the Viability of Local Service Tax and other local revenue sources was produced by the Civil Society Budget Advocacy Group (CSBAG) with support from USAID UGANDA, UKAID's Governance, Accountability, Participation and Performance (GAPP) Program. The contents of this publication are the responsibility of CSBAG and not our development partners.

© January 2017

Civil Society Budget Advocacy Group (CSBAG)
P.O. Box 660, Ntinda
Plot 11 Vubya Close, Ntinda Nakawa Rd
Fixed Line: +256-755-202-154
E-mail: csbag@csbag.org
Web www.csbag.org

|  @CSBAGUGANDA  CSBAG/Facebook.com

All rights reserved. No part of this publication may be reproduced, or reprinted in any form by any means without the prior permission of the copyright holder. CSBAG encourages its use and will be happy if excerpts are copied and used. When doing so, however please acknowledge CSBAG.

1

INTRODUCTION

The Civil Society Budget Advocacy Group (CSBAG) is a coalition of civil society organizations (CSOs) jointly formed in 2004 to influence government decisions on resource mobilization and utilization for equitable and sustainable development.

With a view of generating credible evidence that can inform Government's strategies of improving Local Government Financing, CSBAG in 2016 commissioned a study to assess the viability of Local Service Tax and other local revenue sources using a case study of Kibaale, Mubende, Gulu, Apac and Agago districts.

1.2 Specific objectives

- To assess the viability of Local Service Tax and other existing local revenue sources
- To assess the applicability and relevance of the policies governing local revenue mobilization and collection.
- To identify cost effective mechanisms for collection and administration of local revenue in the focus district.



This issue brief
presents
key findings and
recommendations
that can be
used by various
stakeholders
with a key focus
of **Improving
Local Government
Financing**

2

Legal and Policy Framework of the Local Service Tax and Local Government Hotel Tax

Chapter 11 of the Constitution establishes Local Governments with the key services which they should deliver as stipulated in Schedule II Part 2 of the Local Government Act, CAP 243. Local Governments are mandated to formulate, approve and execute their budgets and plans and to collect revenue and spend it.

Local Governments are mandated under the Constitution and the Local Government Act to provide management services and other program activities including planning, budgeting and supervision of service delivery, oversight functions of Councils, Operation and Maintenance (O&M) including maintenance of building infrastructure, and other basic logistical works among others.

Local Governments are expected to collect local revenues to supplement the grant transfers from the central government to provide services. However, recent study and working reports have shown local revenue collection is not performing as expected. The main local revenue sources used to be Graduated Personal Tax but was abolished

by Government in 2005 leaving a big gap of about UGX 61bn in local revenues. In an attempt to relieve Local Governments out of the dilemma of low local revenue collections, and reverse the tendency of failure to finance their mandated functions, the Parliament of Uganda passed the Local Governments (Amendment) Bill, 2008 which later became law, introducing new taxes for Local Governments i.e. Local Service Tax and Local Government Hotel Tax.

Collection of these taxes commenced FY 2008/09. It was estimated the two taxes would generate UGX 67bn to cover the gap, but the available reports show that these new sources have only generated UGX11.2bn which is just 17% of the expected potential. The other sources have not performed well either. Subsequently services have continued to go down thus undermining the benefits of decentralization that the country has been enjoying.

Local Service Tax – Eligible payers: The Local Service Tax is intended to be levied on the wealth and income of the following categories of people and the assessment is to fair, equitable and non-regressive: Persons in gainful employment, self-employed and practicing professionals, self-employed artisans, businessmen and businesswomen and commercial farmers.

Management of Local Service Tax and Local Government Hotel Tax: The management processes towards collection of this tax requires all Sub-Counties, Municipal Division, Town Councils and City Divisions to form three Committees i.e. Enumeration and Registration Committee (ERC) which plans and carries out general registration



of possible tax payer in Local Government. The Assessment Committee (AC) which determines the Local Service Tax accruing to each of the specified Local Service Tax categories, and the Appeal Tribunal Committee (ATC).

only
11.2bn
generated.
Of the estimated
67bn
to come from the
two taxes

3

KEY REVENUE ISSUES AND RECOMMENDATIONS

3.1 Viability of Local Service Tax and Local Government Hotel Tax

The study, among others, observed that 75% of the adult population is engaged in some productive work that can generate income. The main economic activity is agriculture i.e. growing of crops, tree planting, and or rearing animals. Others are engaged in transportation business e.g. boda-boda riding, taxi-driving/ conductors while others are property owners; government employees; trading businesses; teaching or working at government and private schools; carpentry; masonry; salon/ hair dressing;

Local revenue collection from Local Service Tax and Local Government Hotel Tax is still quite low at UGX 10bn while Local Government Hotel Tax is only UGX 1.2bn contributing 6.6% and 0.8% of Total Local Government Local Revenue respectively. On average, the percentage contribution of Local Service Tax to the total Local Government local revenues in the 5 Local Governments is 14% and 19% for FY2013/14 and FY2014/15 respectively implying that Local Service Tax seems to be poorly exploited.

This is still largely due to limited understanding of the purpose of local revenue and the process of its collection. A technical staff (the District Planner, Gulu) also mentioned this as seen the box 2 below.

BOX #2

“Local Revenue collection in Local Governments is almost voluntary work without proper systems; There is potential in Local Revenue collection but the system is weak”, said the District Planner, Gulu DC.

a) Local Service Tax

To establish the ability of the low income earners¹ to pay Local Service Tax a comparative analysis was undertaken among four individuals where two (i.e. Mr. Byaruhanga of Kibaale district and Mr. Ojara of Agago district) are in a low income group and another two (Mr. Sempangi of Kibaale District and Mr. Opio in Agago district) are in the lower middle income group as shown in Table 1.

1 who comprise the biggest number in the 5 sample districts

Table 1: Comparative analysis of earnings for two different groups (very low and lower middle income)

Low income group/ Group1	Most minimum Earnings per Month for Group1	Middle income group/ Group 2	Most minimum Earnings per month, for Group 2
<p>a) Carpenter: Mr Byaruhanga (Kibaale Dc)</p>	<p>Byaruhanga earns 30,000 per week from his work. i.e Ushs 120,000 per month and 1,44,000 in a year.</p> <p>Implication If subjected to Local Service Tax schedule for Self Employed Artisans, then he should pay UGX 5,000.</p>	<p>b)A Taxi-driver: Mr Sempangi (Kibaale Dc)</p>	<p>Sempangi earns an average of UGX 250,000= per month.</p> <p>Implication If subjected to Local Service Tax schedule of those in gainful employment and getting a salary; he would pay UGX 10,000 as Local Service Tax</p>
<p>b)Boda-boda cyclist: Mr Ojara (Agago Dc)</p>	<p>Ojara earns 50,000 per week i.e. 200,000 per month and 2,400,000 per year.</p> <p>Implication: If bodaboda was in the Local Service Tax schedule of Self Employed Artisans, he would pay UGX 20,000 as Local Service Tax</p>	<p>a) Simsim seller: Mr Opio (Agago Dc)</p>	<p>Opio buys 150 bags of simsim per season x 2 seasons in a year. Sells off @ bag at 100,000= Giving him an overturn of Ushs 3,000,000 per annum.</p> <p>Implication If subjected to Local Service Tax business schedule, then he should pay 20,000 as Local Service Tax</p>

The analysis reveals that all those in the lower middle income group cannot fail to pay Local Service Tax since their incomes, though not so big, can still be able to pay Local Service Tax of at least UGX 10,000 or UGX 20,000. In reality, the local people earning higher than UGX 100,000 per month are usually more than a third of the adult population, a number that is big enough to raise adequate revenue, more especially through Local Service Tax. This shows that citizens' ability to pay Local Service Tax is very high and thus establishes a key fact that it is not the inability to pay which is constraining Local Service Tax collection.

b) Local Government Hotel Tax

This study also confirms that Local Government Hotel Tax is also viable as all those who can afford to stay in a hotel are already able to pay the hotel fee and the Local Government Hotel Tax which is only 2% of the hotel charge. During the study, no one mentioned that they are burdened by this tax.

BOX #2

“Those considered as very low income earners should pay a minimum of UGX 5,000/= so that everybody pays something and contributes to the LG” Head of Finance, Mubende MC

Based on the two observations above, both Local Service Tax and Local Government Hotel Tax are viable sources of local revenue and are simply ready for collection. Once the issues surrounding its collection are solved then the Local Governments should be able to generate more than 70% of its estimated potential, in the medium term

3.2 Inadequacies in Local Revenue Management Process

Insufficient Taxpayer data: At the district, there is little or absence of tax data that could be used as a basis for developing a viable strategy to make reserve prices and capitalization of viable sources. Besides, many of the potential taxpayers' do not have this tax data while other are just unwilling to share it. Many confessed that their business accounts are not looked at during registration. Furthermore, the taxpayers are not so much involved in the revenue administration exercise; this can explain why most of them don't know why they pay the taxes. This if not checked can translate in the poor local revenue performance and hence poor service delivery.

Limitations in tax assessment processes: as 50% of the respondents confessed they didn't know how LST is assessed. There is limited knowledge among tax personnel about the assessment procedures, in the districts sampled, the Revenue Officers confirmed that it is very difficult to get data on someone's earnings especially those in informal sectors i.e. the Self -Employed Artisans (SEA) and Self-Employed Professionals (SEP) which makes it impossible to assess him/ her for Local Service Tax.

In addition, 66 % of respondents noted that their Councils do not provide tax assessment notification in time. Such a situation creates anxiety and suspicion on part of the taxpayers. Other challenges affecting tax assessment include insufficient tax data for assessment; limited taxpayers understanding of the sources of local revenues especially Local Service Tax, Property rates, Property related revenues and licenses; failure of Local Governments to review rates and charges; and low automation of tax data.

Slightly more than a third (37%) of the taxpayers' account records are not investigated during identification of eligible taxpayers either due to absence of their books of account, their refusal to provide information or revenue officers' failure to ask

Weak Enforcement Mechanisms: There is low capacity in terms of relevant technical staff numbers and quality; and equipment for enforcement function. In addition the arbitration process (including Appeals Tribunal Committees) is daunted by non-functionality and unfairness. 30% of the respondents said that LGs use prosecution to make tax defaulters pay, 26% said LGs lock the business, and 12% said that LGs make reminders to make them pay. This indicates that LGs' commonest used methods to make tax defaulters pay is by prosecution and/or locking businesses.

Poor Accountability: There is significant taxpayer dissatisfaction on the way the locally generated revenue is being utilized at district level. In addition the taxpayers acknowledge that there is tax evasion which is due to insufficient visibility of the services provided. This explains why many tax payers evade the taxes. 50% of the tax payers contacted in this study confessed that they do not pay tax. “In fact there is No respect for tax collectors, we are taken as thieves”, said a Revenue collector in Kibaale district.

63% of the respondents mentioned that their Councils do not utilize taxes properly. This indicates a significant taxpayer dissatisfaction on the way the revenue is utilised. Almost all the Taxpayers reported that those who evade payment do so because they do not see the value of the taxes they pay. It is imperative to adequately sensitise the population on the local revenues, its collection, and their involvement in local revenue management

Efficiency in utilisation of locally generated revenue: 70% of the respondents reported that their Councils spend the collected taxes mostly on administrative expenses rather than basic services like health, roads, education, water and agriculture. In order to create incentives to the local revenue generation at the local level, revenue from the local government needs to target services which are visible and not administrative expenses which are rarely appreciated by the service beneficiaries and tax payers (Ndifuna, 2008).

Small and emerging micro-enterprises: In the sample Local Governments, due to low economic development, the industrial sector is typically underdeveloped while agricultural sector is large. This has revenue implications since taxes from

the former sector are usually considered easy to collect due to visibility and accessibility of firms, while taxes from the latter are typically hard to collect. The Local Governments being largely agrarian, production is largely for consumption and with some surpluses for sale, which occur in the same unit (i.e. the household), and these are low-income households. This makes it harder to track transactions and therefore to tax them.

Unregistered businesses: Informality represents a constraint to revenue mobilization, particularly in both urban and rural areas. Most districts are composed of a multitude of small and micro enterprises majority of whom are below the threshold for paying tax or just above it. These need nurturing so that they can reach a level where they can join the tax bracket.

3.3 Inadequacies in the Legal and Institutional Frameworks

The Local Government Act (Cap 243) does not provide for effective mobilization of Local Service Tax , i.e. The tax base is narrow and the threshold is still high (e.g. for Persons in gainful employment group – one getting a monthly salary between UGX 100,000 to UGX 200,000 pays only UGX 5,000 a year; this leaves out the many employees getting below UGX 100,000 a month and the rate of UGX 5,000 is too small and uneconomic to collect, etc). A big number of prospective taxpayers like, boda-boda and those in the production chain of agriculture, etc. have been allowed a blanket exemption from paying Local Service Tax²;

2 Local Government Finance Commission, Report on Understudy of Local Government Issues, 2013

Spontaneous creation of new Local Governments: After creation of a new district, many growth centres which host the biggest wealth and markets become Town Councils which are self-accounting bodies leaving the district as a mere shell; The remaining part of the sub county where the town council was cut from is left with no start up support (unlike the new Town Council) to begin afresh.

Some Local Governments especially sub counties in Kibaale district have almost no land of their own to invest for more revenue since some old sub county structures belong to Bunyoro kingdom.

Challenges of Local Revenue Sharing Framework: Many Lower Local Governments and Higher Local Governments have failed to remit the rightful share among themselves and to other Local Councils in the structure because of failure to observe the requirements, lack of sincerity and the complex nature of the sharing arrangement. For example a Municipal Division is expected to remit 50% of its annual collection to the Municipal Council. After receiving revenue from all the Divisions, the Municipal Council is expected to send back 30% of the total collection to be shared among the Divisions.

This arrangement has failed in many cases as other important and necessary expenditures sometimes eat away this revenue before the Municipal Council remitts back to the Divisions. A similar situation is happening at District and Sub County Level.

Property house: The Local Government Rating Act 2005 does not provide for effective mobilization of Property rates; the exemption of

owner-occupied residential houses (which have estimated at 35% of urban structures) significantly affects the performance of property rates.

Inadequacies in the Royalties Acts. Royalties from hydroelectricity generation should be accorded to the host Local Government as indicated by section 75(7) of the Electricity Act Chap 145 of 1999. This provides that a holder of a license for hydropower generation shall pay to the district Local Government in which his or her generation station, including any dam or reservoir, is situated, a royalty agreed upon by the licensee and the district Local Government in conjunction with the authority (Electricity Regulatory Authority).

Under this, the anomaly is that any other Local Government like a Municipal council or Sub-county (where it happens to host this resource) cannot legally have a share on these royalties.

Law Enforcement Provisions: Local revenue legal provisions on enforcement for each of the revenue sources are very weak and even the penalties cannot be enforced. Specifically the law does not provide for issuance of receipts to tax payers. This had made collection of Local Service Tax impossible especially from the business community.

Furthermore the definition of some categories of taxpayers like Self Employed Artisans (SEA) is confusing, making it difficult to assess these taxpayers.

Agency fees: The Local Government Act section 80(3) provides for an agency fee to be paid to an institution/individual that collects revenue on behalf of Government. In this case, Local Governments

are collecting PAYE, Withholding Tax and VAT on behalf of Uganda Revenue Authority (URA) but are not getting this agency fee. This is because URA uses the Income Tax Act which does not contain such a provision for paying an agency fee.

Furthermore, The Policy on the collection of veterinary fees by Local Governments and remitting it to the Ministry of Finance is silent about sharing this revenue with the Local Government yet according to Local Government Act Section 80(1) this is one of the revenues that should either be retained by the Local Government or at worst shared with the Centre.

In addition, Most of the revenues collected from activities related to forestry are not shared with the Local Governments (especially Revenues from Central Forest Reserves which exist in Local Governments). Unrealistic schedules on timber have caused massive revenue sources by Local Governments. A piece of timber is charged only Ushs 50. However, these schedules were put in place when a piece of timber cost Ushs 1000. Currently the price per piece is over Ushs 10,000.

3.4 Defects in Local Government Staff Structures:

The Local Government staff structure does not have the posts for Revenue Enforcement Personnel. Their role is to ensure local revenue defaulters are brought to book. Revenue collection without enforcement is extremely difficult largely due to limited personnel, insufficient relevant legislation and inadequate operational facilities like transport etc.

Understaffing and low capacity:

A good tax administration should ultimately be able to enforce the law even in presence of tax evasion and avoidance, so that a balance of trust and coercion is usually necessary. In all the Local Governments, the revenue officers are the key staff in revenue administration.

However, practically, the revenue related staff like Parish Chiefs and Town Agents are very few at Lower Local Governments and besides they are not trained in local revenue management. For example in Kibaale district only 13 Parish Chiefs man the 36 parishes and in Agago district only 5 Parish Chiefs are manning the 13 parishes thus making it cumbersome to implement the provision for local revenue collection.

In addition, the Department of Finance at the Local Government which is responsible for local revenue does not have professional revenue officers. Those occupying these posts are professional accountants who are assigned the duties of this function but have no technical knowledge on how to advise the Local Government to generate local revenue.

Low pay for Local Government employees and insufficient operation funds: Low pay among the revenue staff has demoralized their efforts to conduct their duties of local revenue collection and management. In some Local Governments, cases of connivance between the Local Government staff and the bidders for works and services have been sighted. There are situations where revenue collectors have spent at source contrary to the PFMA, 2015 provisions. All these point to struggles by the Local Government staff to survive

amidst low pay yet with a lot of responsibilities to shoulder.

3.5 Low Capitalization of Local Revenue Sources

Investment/ Expansion In Local Revenue Sources Is Not Sufficiently Attended To; For Example construction and/ or rehabilitating of public vehicle parking facilities, fencing and reconstruction of markets purposely to expand the revenue collection, are not given due attention. This could be due to lack of the necessary funds or lack of viable ideas like encouraging the private sector to collaborate and work with Local Governments in a Public Private Partnership.

Poor coordination of key stakeholders

The central ministries and agencies have not yet taken effective steps to collaborate with Local Governments and assist each other in generating and sustaining the revenue sources like National Parks; management of revenues from animal industry and fisheries and private properties.

Poor attitude of the people; There is a display of poor attitude among technical staff, their leaders and Central Government in relation to local revenue and its enhancement: This results from general neglect of local revenue activities as if it is insignificant in the general Local Government financing system. Yet its potential performance is quite significant and its purpose in lubricating the decentralization system cannot be underplayed.

3.6 Positive initiatives

Application of local revenue database system and other improved collection procedures

Since FY 2011/12 the Local Government Finance Commission has supported a number of LGs through, among other activities, installing a local revenue database system to improve taxpayer data and increase collection. Currently those which are effectively operational are **24 districts** and the **14 Municipalities** under the USMID program. As a result, all the districts and municipalities supported have significantly increased their local revenue collections. Local Governments that registered significant improvements in local revenue collection need support on how to effectively utilize the surpluses in the collections. This is to avoid misuse of this revenue.

LG initiatives to expand local revenue generation and mobilization

Two districts in the study areas are commended for making attempts to expand the generation of local revenues in their jurisdiction. Specific Income generating Activities were set up in Kibaale and Mubende and these should be used as examples that other LGs should learn from

Kibaale District Council

1. A 5.3 ha Forest planted and the district expects UGX 500m per harvest; more is to be planted as funds are sought.
2. Kibaale hotel constructed by the district using IFAD funds (1995) valued at UGX 500m, this currently fetches UGX 14m pa for the district.
3. Kibaale Guest House now valued at UGX 250m was constructed by the district but it now lacks refurbishing.

4. The district has constructed Estates of 8 houses to have subsidized rent to the district staff
5. Mubende Municipal Council
 - Construction of lockup shops(60) using about 150m in phases, now incomplete
 - PPP for example people's land and put up market- 2 markets on the highways. Owner gets monthly rent, while urban LG gets market dues



4

Recommendations for Improving Local Revenue Management

To improve local revenue management for it to ably realize its potential, a number of critical strategies have to be deployed so as to have a systematic mechanism of generation and mobilization of local revenue in the country. These strategies include the following, among others:

4.1 Policy Considerations

Government and Local Governments should evolve a Policy for streamlining Local Revenue Management and should ensure that:

- There are provisions to reward and penalise anybody making actions that increase/reduce the revenue performance;
- Central Institutions honor their roles and remitt Local Government local revenue;
- Revitalize coordination of the relevant strategies towards revenue enhancement;
- Citizens' primary obligation to pay taxes is explained;
- Appropriate mechanisms be instituted and operationlised to enable Local Governments collect, utilise and account for the local revenues.
- Local Government Finance Commission should

also prepare a strategy that has a mechanism of tapping local revenues accruing from LED.

4.2 Specific Recommendations

It has been observed that while the current collection of Local Service Tax is UGX 10bn, which is about 18% of its estimated potential of UGX 55bn, the tax is still viable if the prevailing conditions can be reviewed and improved. These include;

a) Legal:

- The guidelines for LST on commercial farmers/ farm income have taken long without being approved. Government should expedite the finalization of the guidelines to enable LGs tax farm income and increase their revenue bases. Uganda being an agrarian economy, almost all the potential taxpayers derive most of their earnings from agricultural related activities. This implies that the Farm Income LST forms the biggest proportion of the potential in LST, about 60%. Therefore if this portion could be retrieved, LGs would earn a lot from LST.
- In addition Government should remove exemptions on the eligible Local Service Tax payers with the exception of the constitutional exemptions such as Judges and members of diplomatic missions accredited to Uganda and reduce the tax bands from current 10 to 5 bands with the lowest at UGX 20,000/= and highest at UGX 100,000/=.
- Government should direct LGs to issue LST payers with receipts as acknowledgement of payment.
- Make the minimum payment of LST at UGX 10,000 which is economic to collect

b) Staffing

- Government should in collaboration with Local Governments customize the structures to ensure the Finance Departments have a Revenue unit with adequate staffing to spearhead local revenue aspects.
- Government together with Local Governments must review the salaries of the through a salary review commission to avoid escalation of corruption that might be detrimental to decentralization and the economy generally. Low pay for the revenue staff and the Local Government employees was sighted as significant cause for connivance and poor works/ services (Low Value for money). Therefore

c) Accountability

- Government should as a matter of critical importance and urgency partner with Civil Society Organisations (CSOs) to create awareness to the taxpayers on their rights and obligations in local revenue management.
- Local Governments should prepare mechanisms of ensuring proper accountability and utilization of the local revenue through for example weekly radio programmes, barazas, sensitization meetings, budget conferences and coordination meetings.

d) Revenue collection enhancement

Local Governments should be supported with technical assistance to ably tap into the on-going programmes like CAIP, PRDP, LRDP, NAADS/ OWC and others which have leveraged household incomes and therefore expanding the taxable

capacity of the citizens. The Commission should establish mechanisms to collect revenue from areas e.g. establishment of markets.

- Government and Local Governments should expand and strengthen the collaborative arrangement with URA to collect some sources like licences and property rates.
- Government should roll-out local revenue database and enhance the local revenue system to all the Local Governments.

e) Enforcement

- Local Governments should be given enforcement security to help in protecting Local Government properties, assist in enforcement of local revenue collection as well as providing protection to Local Government staff during revenue collection activities. Ministry of Internal Affairs has to be consulted on this; then proceed to discuss with Ministry of Local Government and Ministry of Public Service so as to include this in the staff structures.



5

CONCLUSION

It has been observed that while the current collection of Local Service Tax is UGX 10bn, which is about 18% of its estimated potential of UGX 55bn, the tax is still viable if the prevailing conditions can be reviewed and improved as recommended in item. It is important to realize that Local Service Tax for farmers (i.e from Farm Income) forms the biggest part of Local Service Tax potential and should be fast tracked for its implementation. Of particular concern is that there are particular legislative provisions that must be fast-tracked for review and amendment.

In addition, the much needed design of a Local Revenue Management Policy should be evolved to assist Local Governments put the system of revenues in order.

half of the taxpayers
**confessed that they do
not pay taxes** even when
they are eligible simply
because they do not see how
Government utilizes their
taxes

Government was particularly identified by the taxpayers for having failed to provide enough support to the Local Governments on managing and sustaining local revenue sources. The Local Government staff assigned as Local Revenue Officers are not professional in local revenue management and are rarely trained on revenue enhancement. They often put less than 30% of their time to this task and are hardly facilitated to do any related activity. Therefore it has been inevitable to have a poor local revenue performance and an eye opener to realise that only 22% of the local revenue potential is being collected which raises questions as to what happens to the remaining 78% uncollected.

In conclusion therefore, to increase the performance of Local revenue collection, it requires ensuring that the relevant legal provisions are revised to make them enabling enough; administrative capacities of human, skills and institutions are significantly improved; rightful procedures are followed; other relevant supportive strategies are deployed

and most importantly...

The taxpayers need to be oriented on their obligation to pay Taxes.

References

- The Uganda Constitution 2005, as amended (Government of Uganda)
- Local Government Act, Cap.243 (Government of Uganda)
- Local Government Finance Commission Act, 2003(Government of Uganda)
- Inventory of Best Practices, 2003(LGFC)
- Rating Act 2005 as amended (Government of Uganda)
- A study on local revenues by ODA, Crown Agents, 1996/97 (Ministry of Local Government)
- Local Revenue Enhancement Study, 2000 (LGFC)
- Revenue Sharing Study Phase I and Phase II, 2001(LGFC)
- Study to Extend Transfers to Lower Local Governments, 2006 (LGFC)
- An Action Research to Streamline Royalties in LGs, 2008 (LGFC)5
- Assessment of Local Revenue Performance, 2010(LGFC)
- Review of Local Government Financing, Management and Accountability for Decentralised Services, 2012 (LGFC)
- Understudy of Local Revenue Issues, 2013 (LGFC).
- Revenue Mobilisation at Local Government level for sustained service delivery- Challenges, Opportunities and Proposals, 2013 (SEATINI)
- District Development Plans
- District Approved Budgets (FY 2009/2010 -2014/2015)
- Budget Framework Papers (FY 2009/2010 -2014/2015)
- District Final Accounts (FY 2009/10 to 2014/2015)
- District Revenue Enhancement Plans
- Minutes of the District Council (2009/10 to 2014/2015)
- District Budget Conference Reports (FY 2009/10 to 2014/2015)
- Sub County Approved Budgets (FY 2009/10 to 2014/2015)
- Sub County/ Town Council Development Plans (FY 2009/10 to 2014/2015)
- Any other relevant documents related to Financing, Budgeting and Planning

CSBAG VISION

A Uganda with a people centered budget
that dignifies humanity

CSBAG MISSION

Working towards ensuring that budgets at local and national level are financed, designed, implemented and monitored to promote prudent and transparent allocation of national resources for the benefit of marginalized groups.



Civil Society Budget Advocacy Group
P.O. Box 660, Ntinda
Plot 11 Vubya Close, Ntinda Nakawa Rd
Fixed Line: +256-755-202-154
Email: csbag@csbag.org
Web: www.csbag.org

 @CSBAGUGANDA  CSBAG/Facebook.com